

\$73 million bill to Cafritz estate

Questions pose questions over amount to go to charity

That, if you read papers on file in the U.S. Tax Court literally, is what happened to the estate of Washington hostess and philanthropist, Gwendolyn D. Cafritz.

The estate on Feb. 25 petitioned the court to find the Internal Revenue Service wrong in levying the estate tax on it.

It had made the charitable bequest to the 45-year-old Morris and Gwendolyn D. Cafritz Foundation, an institution that dispenses more than \$10 million a year toward area projects ranging from scholarships for exceptional and needy minority students to concerts, art exhibitions and programs for public television.



Calvin Cafritz



Conrad Cafritz

The IRS had ruled that only \$18.1 million of that \$146.6 million contribution could be deducted, leaving \$128.5 million at the mercy of Uncle Sam.

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THIS WEEK



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Two top D.C. firms launch residential joint venture

Carlyle Group, Clark Enterprises have cash

By KIM SUNDERLAND

Two high-powered D.C.-area companies have formed a joint venture to acquire and invest in residential land development projects here.

The Carlyle Group, the area's leading merchant banker, and commercial construction giant, Clark Enterprises Inc. of Bethesda, have formed Carlyle-Clark Realty Fund L.P., also in Bethesda.

"We are convinced the residential market here has bottomed out and will again rebound to be one of the strongest and most stable in the nation," said Daniel D'Aniello, managing director of The Carlyle Group. "At this point, developers simply need financing."

The venture will supply investment capital — primarily through a series of joint ventures with residential developers — on tracts of land that will be marketed to builders of single-family homes, townhouses and condominiums.

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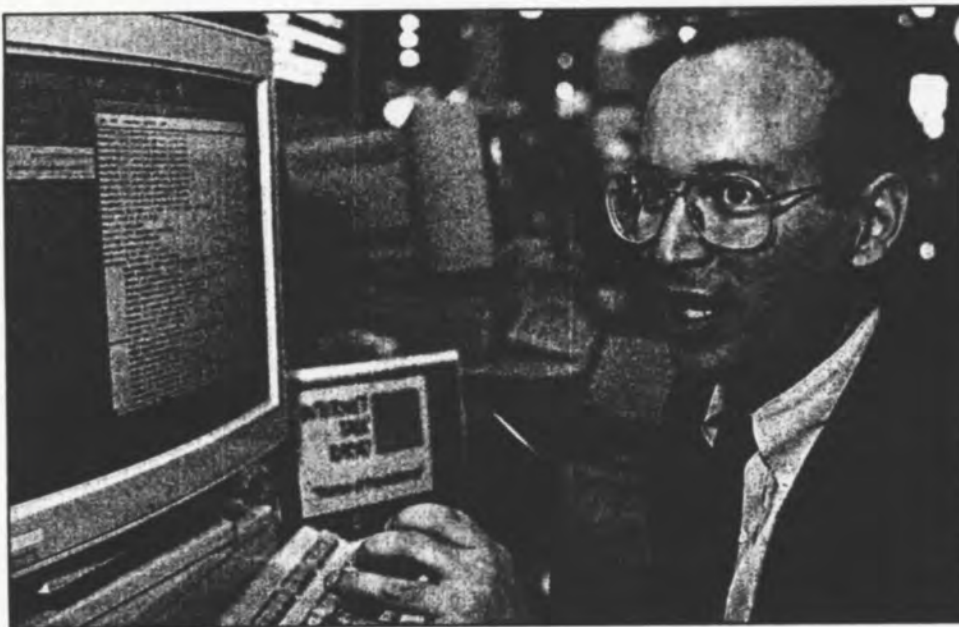


PHOTO BY JOANNE S. LAWTON

Going live: Carl Malamud to start Internet Talk Radio.

The Internet: No longer a secret

14 million hackers now use international computer link

By DOUG ABRAHMS

Montgomery Blair High School students in Silver Spring have used it as a secret

weapon to win national supercomputing contests against other schools.

MCI Communications uses it to let Americans send messages straight to the White House. And an Alexandria man will be using it to start a radio station that is broadcast over the audio equipment housed in personal computers.

Welcome to Internet, the amorphous communication network that links people together by computers. The service is growing 15 percent a month, and 14 million people worldwide use the system one way or another.

"This is like cable TV yet there are infinite channels," said Carl Malamud,

See EVEN RADIO, page 35

The Marriott Name: No Laughing Matter

BETHESDA—Some people just can't take a joke, it seems.

The joke may be on Ramada Inc., however, if a lawsuit filed by J.W. "Bill" Marriott Jr., W. Barron Hilton and the Hyatt hotel chain is successful.

Marriott and the other plaintiffs aren't laughing at recent ads that show three happy couples — the Marriotts, the Hyatts and the Hiltons, dining and relaxing at Ramada's upscale Renaissance hotels and resorts.

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Around the Beltway

AIRPORTS

Bill introduced to privatize BWI airport

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RETAIL

Atlanta discounter eyes three area retail sites

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TOP 25 LIST

Largest accounting firms in the Washington area

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Even radio turns up as a way to reach users of computer net

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who is starting Internet Talk Radio. "The global village is here."

Malamud estimates he will reach at least 75,000 PC users when he throws the switch this month. He has already signed up advertisers for his 30 minutes a week of interviews and features.

Files will travel the network via modems and be heard over computers' audio equipment, allowing users to con-

said. Users only have to pay gatekeepers — such as MCI or Compuserve — for access time to hook into the net, which is federally funded, he said.

E-mail is growing so fast that various groups are holding meetings to figure out the best way to increase the number of mailboxes, he said.

"If someone says 'who is the ruling board or controlling board of this thing,' there is none," Briggs said. "It's sort of self-regulating."

Washington is the second-largest net user behind Silicon Valley, said Malamud, who receives 200 E-mail messages a day. Computer Literacy Bookshops decided to open the largest store on the East Coast for computer manuals in Tysons Corner rather than Boston.

More than 30,000 showed up last week for an InterOps exhibition in Washington, which showcased computer networking equipment.

"We have reached critical mass. This is the hidden infrastructure," Malamud said.

Originally wanting to start a trade publication geared toward network programming, Malamud was put off by the distribution costs that would run into the millions of dollars. So he turned to net broadcasting.

"It's a new medium. It's radio-like but it's not radio," he said. "I'm no different than any other radio station."

Users simply open computer files on Internet Radio to listen, and they can pick which files to hear and which to discard unplayed. One of Malamud's friends vows to plug his laptop into his car's cigarette lighter so he can listen during his commute to work.

The show will be distributed to European and other networks, and Malamud said he will be "heard" in at least 26 countries. He expects graphics to be added in what could be likened to a special-interest TV channel.

Sun Microsystems and another advertiser already have paid for ads that cover the station's expenses over the next year, he said.

"I'm not selling (more) ads. I'm just waiting," said Malamud, who has been contacted by a few advertising buyers. "What I'm selling is my subscriber base and my demographics." He would not say what price the ads go for.

The net is becoming part of the educational system at Montgomery Blair High, which received an initial hookup through winning a contest on the best use for a supercomputer, said Mary Ellen Verona, a computer-science teacher. Students use the net to hook into the massive computers to develop models for river pollution or water molecules contained in snow flakes.

"Our kids are researching how elementary kids interact with the sciences over the net," she said. "We have students who use it to contact their mentors."

Teenagers get quizzed on how to hook into NASA databases or send messages to other schools, Verona said. The school has six telephone lines so students can call in from home to hook into the net.

"I don't think we've seen anything yet about what the school of the future is going to look like," she said. "In 10 years, (not being able to use the net) will be just like not being able to read today."



PHOTO BY JOANNE S. LAWTON

Wired: Bo Pitsker, head of the InterOps Exhibit in Washington last week, shows off command center that ran 70 miles of fiber links.

tinue working on their usual computer tasks, he said.

"We lead our lives on these things," said Malamud, who has designed networked computer systems for the Federal Reserve Board and Indiana University. "For under \$100,000, I'm putting together one of the world's largest radio networks."

The net — computer cognoscenti slang — is used mostly by techies, who spend well above 40 hours a week in front of computer monitors. One of Talk Radio's features will be Geek of the Week, a programmer talking about networking systems.

But the net is pushing into the mainstream through electronic mail, databases and bulletin boards.

"There's so many things out there that it's a question of what you want," said Duncan Briggs, product development manager at Intercon Systems Corp. The Reston company makes software to allow users to send E-mail directly into the net.

"Internet itself is not a network. It is a kludge of sub-networks," he said. "When you send a message out there, there's no telling how many sub-networks it goes through."

Internet started off as a defense project dubbed Arpanet that later hooked into the National Science Foundation's network. A large fiber trunk spans the country that can send information at 45 million bits a second — compared to 9,600 for standard fax machines — used mostly by scientists and government researchers.

Internet can be likened to an interstate highway system, with roads of various widths running hither and yon.

The commercial world saw the value of the network, which has been expanded to include private companies such as Compuserve, MCI Mail or The Well — a popular electronic bulletin board, Briggs

The Local News is on.

NEWS 8
CHANNEL 8
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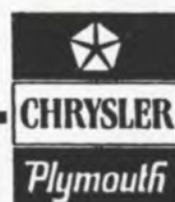
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